

AUG 21100

FCC

July 29, 1998

Magalie Roman Salas Secretary Federal Communications Commission 1919 M Street, NW Room 222 Washington, DC 20554

Dear Ms. Salas:

Enclosed are the original and sixteen (16) copies of the comments of GVNW Inc./Management in response to the Commission's Notice of Proposed Rulemaking in CC Docket No. 98-77.

Also enclosed is one copy of our comments to be stamped and returned in the enclosed self-addressed stamped envelope.

Any questions regarding this filing may be directed to me at (503) 634-2266.

Sincerely,

Dorrene Benthin) General Manager

cc: Competitive Pricing Division Common Carrier Bureau Room 518 1919 M Street NW Washington DC 20554

International Transcription Service 1231 20<sup>th</sup> Street NW Washington DC 20036

Encl.

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## Before the FEDERAL COMMUNICATIONS COMMISSION

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In the Matter of	)		A
Access Charge Reform for Incumbent	)	CC Docket No. 98-77	
Local Exchange Carriers Subject to	)		
Rate-of-Return Regulation	)		

## Comments of Monitor Cooperative Telephone Company

Monitor Cooperative Telephone Company is a small rural local exchange carrier serving 728 access lines in the state of Oregon. These comments focus on the impact of certain proposals included in the Notice of Proposed Rulemaking (NPRM) for access reform for rate-ofreturn incumbent local exchange carriers.

Specifically, we oppose the proposed rule change to allocate a portion of the General Support Facilities to the Billing and Collection category. While this procedure may be appropriate for price cap companies who provision the Billing & Collection service using their own computers, it is not appropriate for the small rural LECs that rely heavily on service bureaus for the provisioning of this service. Small LECs have very little opportunity to reduce billing & collection costs because they are dependent on outside service bureaus for providing this service. Other rule changes over the years have tended to allocate more and more cost to the interstate billing and collection category to the point that many small companies can no longer make a profit on the service. This proposed change to the Part 69 allocation rules will provide many small LECs with the unintended incentive to terminate Billing & Collection agreements with IXCs.

In 1996 Monitor Cooperative Telephone Company had \$20,607 revenue for the interstate billing and collection service compared to a cost of \$19,246 resulting in a profit of \$1,361 before the OB&C change and the proposed GSF change. The change in OB&C rules applied to the 1996 costs results in an interstate billing and collection cost of \$21,934 which changes the profit to a loss on the service of \$1,327. Taking this analysis the next step and folding in the proposed

GSF change results in a cost assigned to interstate billing and collection of \$32,530, increasing the loss on the service to \$11,923.

We ask the Commission to reject the proposed change, which would jeopardize the billing and collection service currently provided to interexchange carriers.

Respectfully submitted,

Dorrene Benthin

Monitor Cooperative Telephone Company